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Message Text

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14
ORIGIN EB-03

INFO OCT-01 ISO-00 /004 R

666
DRAFTED BY EB:NLPAZDRAL
APPROVED BY EB:NLPAZDRAL
DIST: EB, ISO (ONLY)
---------- 085569
R 200056Z NOV 75
FM SECSTATE WASHDC
TO USMISSION OECD PARIS

C O N F I D E N T I A L STATE 274650

LIMDIS FOR ASSISTANT SECRETARY ENDERS

FOLLOWING REPEAT LIMA 9554 ACTION SECSTATE DATED 18 NOV 75
QUOTE
C O N F I D E N T I A L LIMA 9554

LIMDIS
FOR ARA - ALFRED FISHLOW; L - MONROE LEIGH; EB - THOMAS ENDERS; TREASURY - JOHN BUSHNELL; CIEP - WAYNE SHARPE; COMMERCE - DAN ARRILL; S/P LUIGI EINAUDI
EO 11652: GDS
TAGS: EINV, EIND, EMIN, PFOR, PE
SUBJ: MARCONA - DISCUSSIONS WITH MINES AND TRANSPORT MINISTERS

REF: LIMA 9497

1. DURING OFFICIAL GOP LUNCH ON NOVEMBER 17 FOR VISITING CIPEC MINISTERS, BOTH MINES MINISTER LA VERA VELARDE AND TRANSPORT MINISTER GARCIA VARGAS QUESTIONED ME CLOSELY CONCERNING COURSE OF MARCONA NEGOTIATIONS. LA VERA OPENED CONVERSATION BY ASKING ME WHERE NEGOTIATIONS STOOD. I REPLIED THAT THEY HAD NOT BEEN SUCCESSFUL AND LA VERA ASKED FOR MORE DETAILS. I ADDED THAT USG TEAM HAD PRE-SENTED TWO IMAGINATIVE PROPOSALS WHICH HAD BOTH BEEN
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REJECTED BY GOP. LA VERA THEN ASKED WHY THE USG TEAM HAD

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NOT TAKEN UP PROPOSAL FROM THE GOP. I TOLD HIM THAT, IN EFFECT, THERE HAD BEEN NO CONCRETE PROPOSALS FROM GOP SIDE. LA VERA EXPRESSED SURPRISE. I POINTEDLY ADDED THAT THE USG TEAM HAD GONE BACK TO WASHINGTON "DESARMANDO" (DEFENSELESS) TO DEAL WITH ALL THE INTERESTED AGENCIES OF THE USG. NOT ONLY WOULD THE TEAM HAVE TO EXPLAIN ITS LACK OF PROGRESS TO WASHINGTON, BUT IN ADDITION WOULD HAVE TO INFORM MARCONA AS WELL. I TOLD LA VERA THAT IT IS NOW TIME FOR THE GOP TO COME UP WITH SOMETHING SINCE THE PROBLEM HAS MOST DEFINITELY NOT BEEN RESOLVED. I ALSO SAID THAT OUR TEAM AS WELL AS GOP SIDE MUST TAKE INTO CONSIDERATION THE ECONOMIC, LEGAL AND POLITICAL REALITIES OF THE SITUATION AND REITERATED THERE HAD BEEN NO SOLUTION.

2. I REPEATED ESSENTIALLY THE SAME LINE OF REASONING TO GARCIA VARGAS, NOTING FURTHER THAT PERU WILL BE DEPENDING ON SUBSTANTIAL OUTSIDE ASSISTANCE FOR LARGE DEVELOPMENT PROJECTS WHICH WOULD NECESSARILY BE AFFECTED IF THERE IS NO SETTLEMENT. GARCIA VARGAS SAID HE UNDERSTOOD PERFECTLY. HE ALSO COMMENTED THAT GOP HAD REMOVED BOTH BOSSIO AND DASSO FROM POSITIONS THEY HELD IN HIERROPERU, WHICH WAS A STEP FORWARD TO FACILITATE A SETTLEMENT OF THE MARCONA ISSUE.

3. MINES MINISTRY LEAGAL ADVISOR CESAR DELGADO AND MINES DIRECTOR GENERAL YATACO ALSO RAISED MARCONA ISSUE WITH ME DURING LUNCHEON, AND I NOTED THAT USG TEAM HAD RETURNED TO WASHINGTON WITHOUT RESULTS. I TOLD DELGADO AS WELL THAT DE LA PUENTE PLANS TO GO TO WASHINGTON IN EARLY DECEMBER TO DISCUSS SITUATION WITH FISHLOW. I TOLD BOTH YATACO AND DELGADO THAT I HOPED THAT AMBASSADOR-DESIGNATE GARCIA BEDOYA WOULD BE GOING TO WASHINGTON SOON, SINCE IT WOULD BE USEFUL TO HAVE HIM ON THE SPOT TO DEAL WITH THIS ISSUE FROM THE OTHER END. HOWEVER, FOREIGN MINISTRY PROTOCOL OFFICERS IN SEPARATE CONVERSATION INFORMED ME GARCIA BEDOYA IS PRESENTLY NOT PLANNING TO ARRIVE IN WASHINGTON PRIOR TO MID-JANUARY.

4. COMMENT: IT IS NOT CLEAR WHAT GOP PROPOSAL LA VERA HAD IN MIND, UNLESS HE WAS REFERRING TO THEIR OFFER THAT WE ACCEPT THEIR WORD THAT THEY WOULD COMPLETE THEIR AUDIT AND TO AGREE TO PAY COMPENSATION ON BASIS OF THAT AUDIT. IN ANY CONFIDENTIAL

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CASE, HE HAS BEEN DISABUSED OF IDEA THAT GOP MADE CONCRETE OFFER WHICH MIGHT LEAD SOMEWHERE. MY INTERCHANGE SERVED TO INFORM TWO MORE MINISTERS OF THE PROBLEMS INVOLVED REGARDING THE RECENT IMPASSE, AND THEY (AS WELL AS OTHERS) WILL UN-DOUBTEDLY CONSIDER THE MARCONA ISSUE AT THE CABINET MEETING TODAY. TOGETHER WITH MY SATURDAY CONVERSATIONS (REFTEL), WE HAVE PLANTED THE SEED AMONG NUMEROUS MINISTERS THAT DESPITE THEIR COMPLIMENTS FOR USG TEAM'S ABILITIES AND PROPOSALS,

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IN ESSENCE NO PROGRESS HAS BEEN MADE AND THE BALL IS DEFINITELY
IN THEIR COURT.
DEAN
UNQUOTE
KISSINGER

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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TECHNICAL ASSISTANCE, MINING INDUSTRY, NEGOTIATIONS, DIPLOMATIC DISCUSSIONS, SOCIAL RECEPTIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 20 NOV 1975
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975STATE274650
Document Source: CORE
Document Unique ID: 00
Drafter: NLPAZDRAL
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750404-0100
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19751128/aaaaayjg.tel
Line Count: 120
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 75 LIMA 9497
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 29 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <29 MAY 2003 by ShawDG>; APPROVED <19 DEC 2003 by ShawDG>
Review Markings:

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US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: MARCONA - DISCUSSIONS WITH MINES AND TRANSPORT MINISTERS
TAGS: EINV, EIND, EMIN, PFOR, PE
To: OECD PARIS
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006